

Annual Report



Ditsobotla Local Municipality
2005/2006

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CHAPTER 1

GENERAL INFORMATION

MEMBERS OF THE COUNCIL

		WARD
IE LETHOKO	MAYOR	PR 1
LE HOLELE	SPEAKER	PR 2
A MATSHOGO	MMC FOR INFRASTRUCTURE	10
A VAN AS	MMC FOR FINANCE	3
JP FOURIE	MMC FOR LOCAL ECONOMIC DEVELOPMENT	PR 1 DA
TK MELAMU	COMMUNITY SERVICES	PR 1 UCDP
O DIPHOLO	MMC FOR CORPORATE SERVICES	1
M MANENTSA	MMC FOR HOUSING AND ELECTRICITY	14
Q MQAMQO	IDP	9
TA MALINDI	COUNCILLOR	1
DT BUTHELEZI	COUNCILLOR	4
LB MULLER	COUNCILLOR	5
SR DILAPISO	COUNCILLOR	6
KM SERIBE	COUNCILLOR	7
JN MONNAMONTSO	COUNCILLOR	8
GL MATSHANE	COUNCILLOR	11
SS MNYAKAMA	COUNCILLOR	12
MJ SEROBATSE	COUNCILLOR	13
MB KGOTLENG	COUNCILLOR	15
MV JABANE	COUNCILLOR	16
VA VILAKAZI	COUNCILLOR	17
TI SHEMA	COUNCILLOR	18
FB MOSIANE	COUNCILLOR	19
P BOGATSU	COUNCILLOR	PR 3
TS MVUNDISI	COUNCILLOR	PR 4
G TAEMANE	COUNCILLOR	PR 5
V DILA	COUNCILLOR	PR 6
MO MMUTLE	COUNCILLOR	PR 7
DT CELO	COUNCILLOR	PR 8
R THABANE	COUNCILLOR	PR 9
DH NAGE	COUNCILLOR	PR 10
MD DIKOBÉ	COUNCILLOR	PR 11
LJ BOGATSU	COUNCILLOR	PR 12
MM MABOTE	COUNCILLOR	PR2 UCDP
M THABENG	COUNCILLOR	PR3 UCDP
ESTERHUIZEN	COUNCILLOR	PR2 DA
E NEL	COUNCILLOR	PR 1 FF
JS LEGAE	COUNCILLOR	PR ACDP

GRADING OF THE MUNICIPALITY: GRADE 9

AUDITORS: AUDITOR-GENERAL

BANKERS: ABSA BANK LTD

ADDRESS OF THE REGISTERED OFFICE:

POSTAL ADDRESS: DITSOBOTLA LOCAL MUNICIPALITY, P.O. BOX 7, LICHTENBURG, 2740

CIVIC CENTRE: DR NELSON MANDELA, LICHTENBURG, 2740

TELEPHONE NUMBER: 018 632 5051 • FAX NUMBER: 018 632 0556

MUNICIPAL MANAGER: MR. MM MOSELANE

ACTING CHIEF FINANCIAL OFFICER: MR. KJ MOILOA

PREFACE

INTRODUCTION

It is my privilege to present to you the financial statements of Ditsobotla Local Municipality for the financial year ended 30 June 2006

The budget of the local municipality is its primary instrument for addressing the socio-economic needs of its citizens and proper maintenance of all existing infrastructure. The financial statements on the other side are an instrument, which can be used to determine whether the goals as set in the budget, had been achieved.

We are delighted to report that we have managed to maintain a positive growth rate in Ditsobotla Local Municipality. This is attained by the invaluable trust, loyalty and support from our business community and employers. It is prudent to state that Ditsobotla Local Municipality through not only its marketing strategy but also our valued open door policy also serve as contributory factors to our achievements.

The diligent application of excellent financial management procedures, controls and policies has without doubt placed the Ditsobotla Local Municipality in an absolutely sound financial position. The financially healthy position of our municipality is also mainly attributable to the best practices of Good Governance by both the political and administrative spheres within our institution.

GENERAL OVERVIEW

- **Our Economy's Greatest Challenge: Unemployment**

Since the new Council was elected into office, it has prioritised unemployment as the greatest challenge facing Ditsobotla. Indeed, unemployment is a national crisis and it is accepted that South Africa needs to create in excess of 400 000 new jobs annually. Statistics SA estimates unemployment to stand at 38.5%. In the North West, recent estimates by WEFA places the figure of unemployment close to 43%

- 29% of the economically active population of Ditsobotla can be classified as unemployed.

The Government's Growth, Employment and Redistribution (GEAR) strategy aimed to create 409 000 jobs by 2020. This would require economic growth rates of at least 6% per annum with greater emphases on higher and sustainable investment and long-term access to international markets exports. We can state that these are also the fundamental challenges facing the Ditsobotla economy, namely improved fixed investment and export opportunities for our business sector.

How can we raise investments in and export from Ditsobotla in a rapidly changing external environment? A non-negotiable precondition is that Ditsobotla needs to become an internationally competitive location for investment and location of business firms.

The absolute need for increasing the competitiveness of our location arises from the greater levels of competition that the business is facing in South Africa in general since the opening-up of our economy after 1994. The latter has subjected local firms to unprecedented levels of competition, posing significant threats but also opportunities, to especially the previously sheltered firms. The intensity of competition has brought to the fore the question of what determines the competitiveness amongst business and of how Government in particular Local Government can assist our firms to be more competitive.

- **Ditsobotla Local Municipality needs to be a Competitive Location**

For the many individual firms in Ditsobotla competitiveness hinges on the ability to offer products and services that are of a higher quality and coupled with lower costs than others in the marketplace. Given the legacy of the past, high poverty, and the challenge of unemployment, it is clear that we need to adopt labour-intensive production methods and still remain internationally competitive. The conclusion is thus clear: we must improve the quality of our workforce. Since the new municipal dispensation came into being in December 2000, the philosophy of "developmental local government" has really made the Ditsobotla Local Municipality the hands and feet of government in its quest for economic development and

fighting against poverty. The concept of Local Economic Development (LED), a central pillar within our overall Integrated Development Plan (IDP) is a crucial tool in this regard.

Local authorities are, in terms of our Constitution the first line of attack against poverty and inequality. In this regard the Ditsobotla Local Municipality is cognisant of the immensity of the challenge. We believe that ultimately the challenge is to create a competitive local economy wherein our businesses that can maintain a positive and sustainable growth value our people can lead stable and prosperous lives.

- **Local Economic Development and Competitive Localities**

The obligation on Local Government to address economic development challenges such as poverty, unemployment and inequality stems from our Constitution. Section 152 of the Constitution is explicit in defining the purpose of Local Government viz to "promote social and economic development".

In the past Local Governments did not view themselves as economic development vehicles. Accordingly they did not act purposefully to facilitate the economic development of their area. If the provision of basic services and infrastructure did contribute to economic development, it was coincidental. The situation was perceived after 1994 to be at odds with the Constitutional responsibilities of Local Government. As a result much of the Local Government Transition Process between 1995 and 2000 was taken up with initiatives to ensure that Local Governments in the new South Africa become truly "developmental local governments". The White Paper on Local Government identified the weaknesses of past local governments and identified the challenges and requirements for a new system of Local Government. From the White Paper flowed firstly the Development Facilitation Act, coining the term "developmental local government" and embedding the need for participatory development planning on local level. Simultaneously the Demarcation Act provided for a reconsideration of the areas of jurisdiction of Local Governments, based on the recognition that the pre-1994 sizes of Local Governments were uneconomical and in-efficient. The Municipal Structures Act and Municipal Systems Act followed in 1998 and 2000 respectively. The former changed the internal organisation structure of municipalities whilst the latter changed the very nature in which municipalities must discharge their obligations.

Specifically, the Municipal Systems Act requires the compilation of Integrated Development Plans (IDP) to lay the very foundation of the developmental role of Local Government. Within these IDP, a strategy of Local Economic Development (LED) must be prominent. All future budgets of this council will have to support the needs and principles as set out in our Integrated Development Plan.

The context of globalisation means that our country needs to be competitive and that therefore macro-economic stability is required. This in turn requires fiscal and monetary policies that are consistent and prudent. Since 1994 the National Government's record in this regard has been excellent and the continuation of these prudent and considered fiscal and monetary policies has the Ditsobotla Council's full support.

It does further mean, in the light of the implications of the above challenges that we will have to be cleverer and much more innovative in the way that we have managed and designed Local Government. An emphasis on socio-economic rights, such as shelter, clean water and the general tenets of Local Agenda 21 must be where the bulk of our annual expenditure falls. However, we must also commit resources to institutional building, strengthening local governance and the maintenance of our existing infrastructure. We must form strong and durable networks with our business community and international partner municipalities and attract foreign businesses. We must promote and market our location and build patriotism for the new Ditsobotla. We must strengthen civil society and religious institutions so that we implement what our President has called the "RDP of the Soul". Through this we will create the environment for human capabilities to flourish and to make our city a competitive and desirable location to be living in. At this point may we salute the hundreds of our professionals, academics and community members for voluntary supporting all our initiatives?

MISSION OF OUR MUNICIPALITY

"To effectively provide and facilitate the process required for social and economic upliftment of all communities by ensuring universal access to affordable essential services as a coordinated effort by

Councillors, Officials and Constituent Communities through the prudent application of affordable resources".

CLOSURE

In terms of our set goals we are striving to provide a situation where people can live in tranquility and harmony with appropriate service delivery, with all the necessary facilities available of equal standard and good employment opportunities to all our citizens.

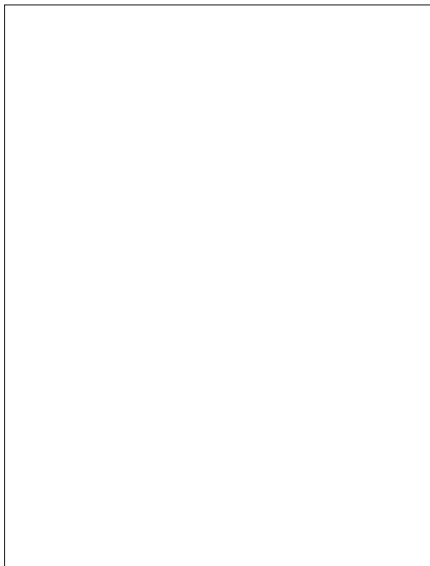
We would like to assure all our loyal ratepayers that this Council will go out of its way to achieve our vision and mission and set goals.

A WORD OF THANKS

Lastly a word of thanks to all my colleagues and officials for their hard work, support and joint effort during the past financial year. Without them it would not have been possible to conclude the past financial year on such a positive note.

Cllr I.E. LETHOKO
HONOURABLE MAYOR
DITSOBOTLA LOCAL MUNICIPALITY

1. MAYOR'S FOREWORD



The Municipal Systems Act No. 32, of 2000; chapter 6, section 4.6.2 requires the Municipality to table the Annual Report within one month of receiving the audit report. The Ditsobotla Local Municipality is committed on implementing policies, legislation and by-laws for better service delivery.

Performance management is one of the critical tools for ensuring that there is service delivery within the municipality. As council we have to ensure that we align ourselves with the MFMA which requires us to draw the SDBIP which gives effect to the IDP and budget of the municipality and will be possible if the IDP and budget are fully aligned with each other.

The SDBIP is a contract between the administration, council and the community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months.

This provides the basis for measuring performance in service delivery against end-of-year targets and implementing the budget. Thus the SDBIP enables the municipal manager to monitor the performance of the senior managers, the major to monitor the performance of the municipal manager. It must also be consistent with outsourced service delivery agreements.

For 2005/2006 financial year we have set targets to replace bucket systems with vacuum services, provision of adequate services in Coligny to increase by 50%. Provision of services in Biesiesvlei to increase by 50 % also. Ensure that there is save and clean environment and the prevention of any communicable disease, to deliver an effective and efficient service.

To provide an effective community focussed library services. We managed to maintain all municipal buildings and community, growth of sports and recreation within the municipality through proper organisation of activities and maintenance of facilities. We managed to render Environmental Health Services and organize an effective administrative function to support other key areas. We managed to provide effective and efficient fire fighting and prevention through optimal use of resources, awareness programmes and industrial safety compliance. To provide and manage a well coordinated, efficient reaction and recovery support during an outbreak of disaster.

Council built RDP houses in Itsoseng, which was one of its aims to create, Sustainable and environmentally sound human settlements. Our aim for the 2005/2006 financial year was to build affordable houses for low income groups, to make land accessible to all communities, to create residential structures with secure tenure, internal and external privacy.

Cllr I.E. LETHOKO
HONOURABLE MAYOR

2. OVERVIEW OF THE MUNICIPALITY

LOCATION AND POPULATION SIZE

The Ditsobotla Local Municipality formed after the National Elections held in December 2000. The towns Lichtenburg, Coligny, Biesiesvlei and Itsoseng amalgamated to form the newly demarcated area of Ditsobotla.

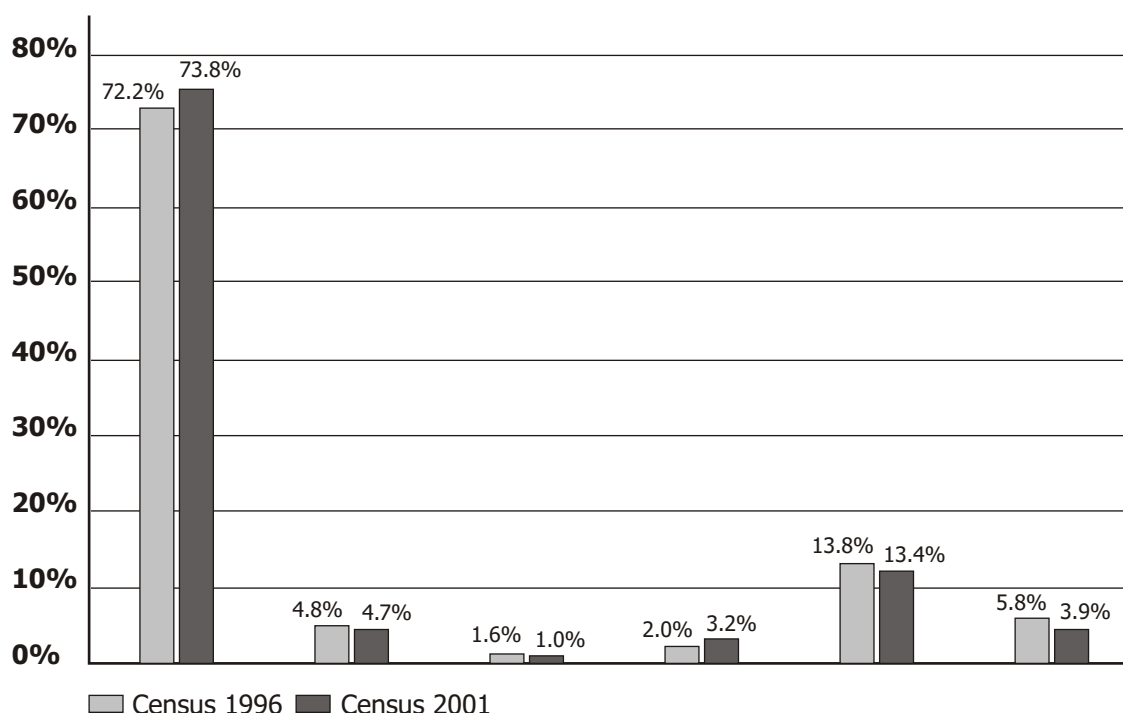
Lichtenburg as the head office is centrally situated within the North West Province with main road linkages to most towns and cities in the region. The municipal area covers about 6465.19 square kilometers. Lichtenburg is situated within comfortable traveling distances from neighboring towns, 113km from Klerksdorp, 63 km from Mafikeng and 84 km from Koster. Lichtenburg and its immediate environment reflect much physical evidence of a particularly eventful past, shaped by war, the discovery of diamonds and of course, and some remarkable people. The recently released Census figures indicates the total population for the Ditsobotla Local Municipality as 147 601.

The total estimated population for the period 1996-2006 would be 148 832.

TYPES OF HOUSEHOLDS

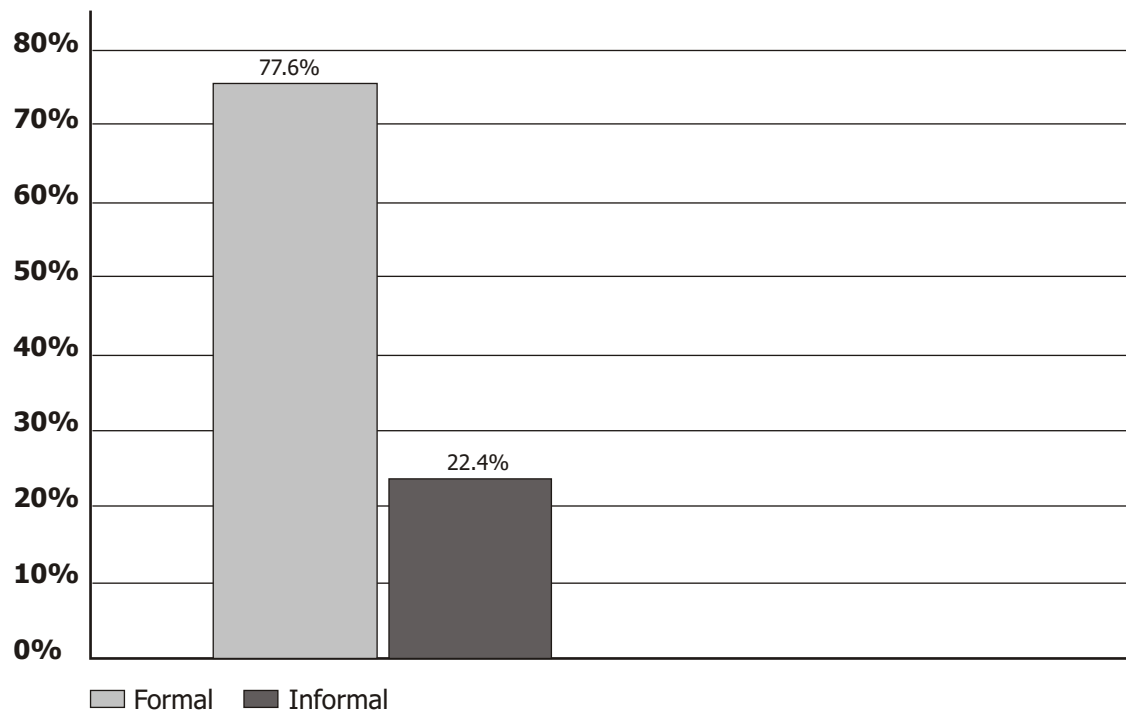
The overall housing profile in the Ditsobotla Local Municipality in proportional terms remained relatively stable between 1996 and 2001. The proportion of household with houses on separate stands increased slightly from 72.2% to 73.8%. The proportion of households residing in informal dwellings or shacks within a backyard increased from 2% to 3.2%. Important to note is that the proportion of households living in informal structures within informal settlements remained relatively high at around 13.5% over this period.

Figure 1: DWELLING TYPES



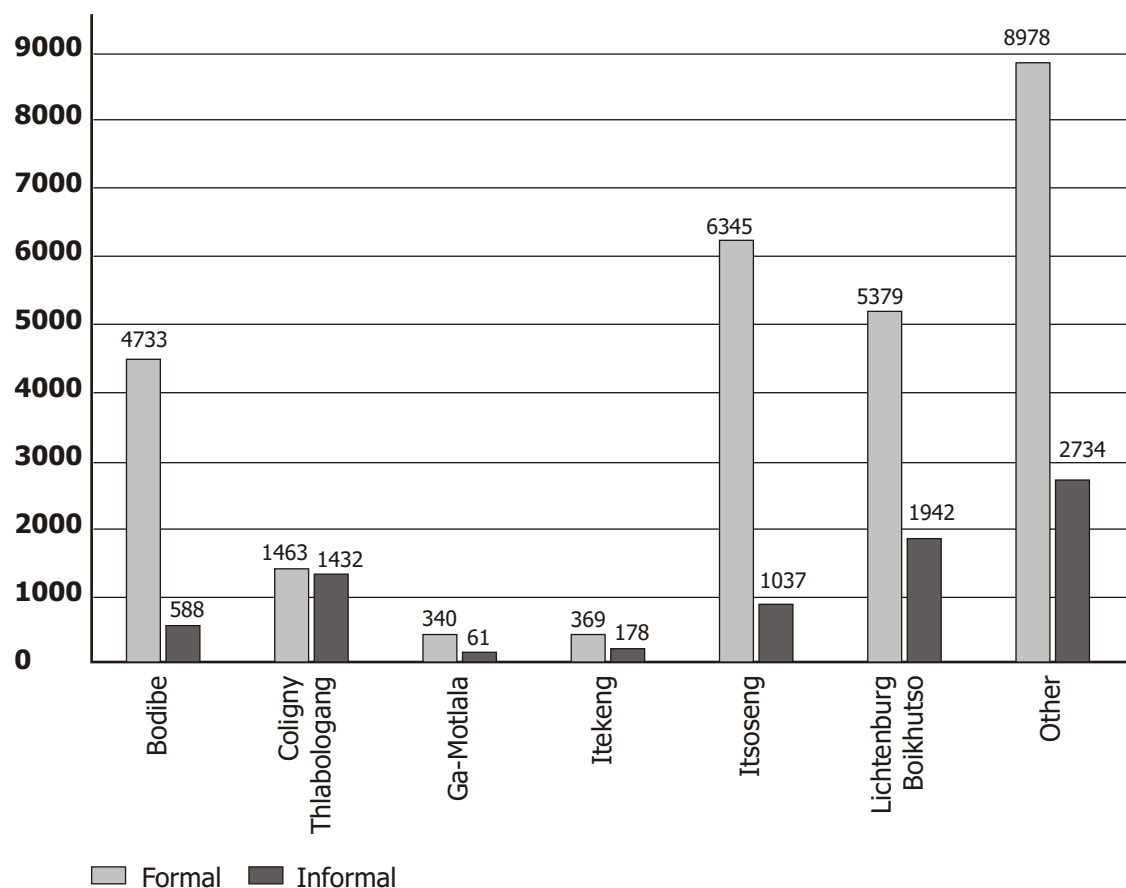
Source: Statistics SA, 1996 and 2001

A breakdown of the overall municipal housing stock is summarized in Figure 2. For the purpose of these figures, houses on separate stands, flats, townhouse/cluster homes and flats in backyard is regarded as formal housing. Informal housing included traditional dwellings constructed of traditional material, informal dwellings located in backyard, informal dwellings elsewhere and other. According to these definitions approximately 77% of the total municipal housing stock consists of formal houses and 22,4% of informal. These figures imply that there are nearly 8 000 inadequate housing structures within the Ditsobotla Local Municipality.

Figure 2: MUNICIPAL HOUSING PROFILE

Source: Derived from Census 2001 figures

A further breakdown of the municipal housing profile per development cluster is depicted in Figure 3. These figures clearly indicate that the highest concentration of informal housing units (according to census figures) is concentrated in the Lichtenburg-Boikutso cluster (1942), the Itsoseng-Sheila-Verdwaal cluster (1037) and the Coligny-Tlhabologang cluster (1432). Also interesting to note is that the total number of informal structures in Tlhabologang is more or less equal to the total number of formal structures.

Figure 3: FORMAL AND INFORMAL HOUSING STRUCTURES PER CLUSTER

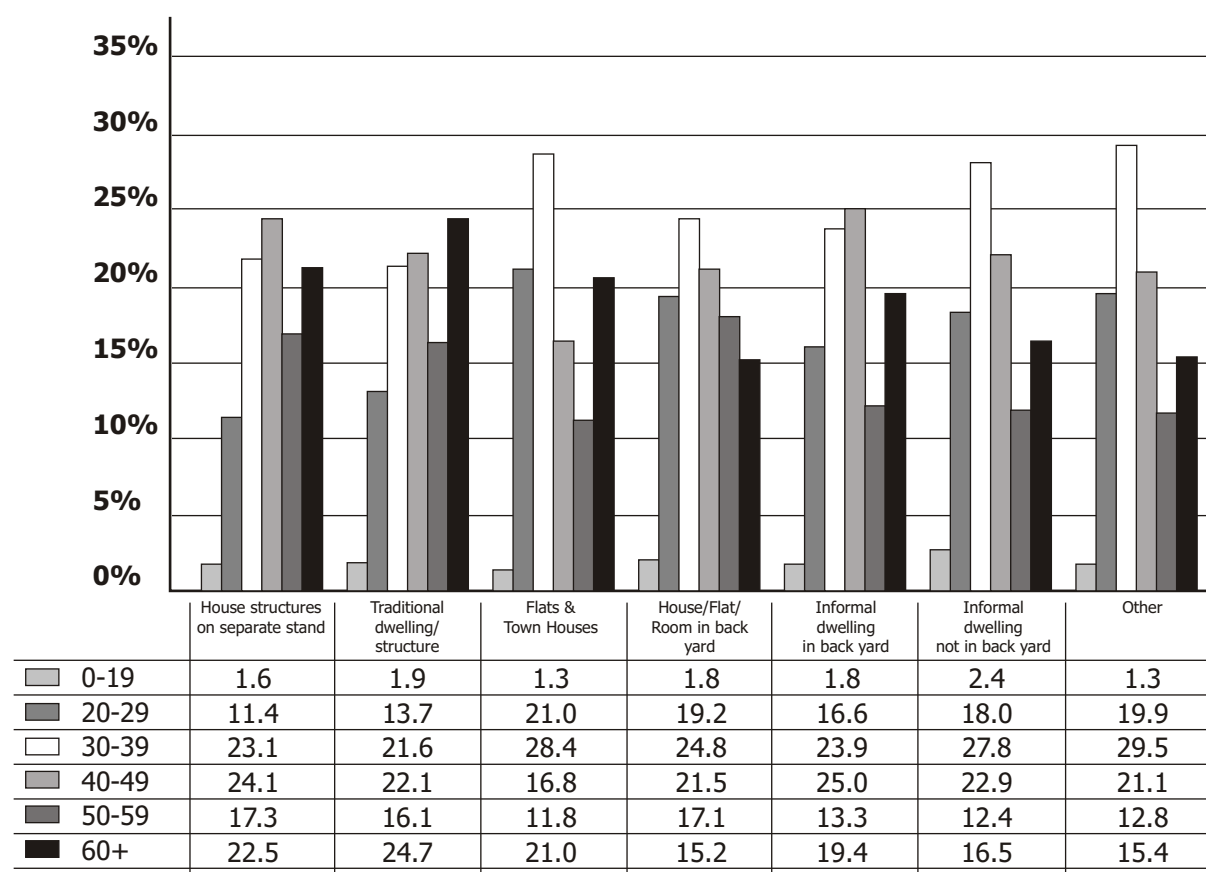
Source: Derived from Census 2001 figures

OVERVIEW OF SOCIO ECONOMIC CHARACTERISTICS OF THE INHABITANTS OF DIFFERENT HOUSING TYPES

Age of household head

An analysis of the age of household's heads according to housing types is depicted in Figure 4. This information indicates that there are generally no significant between that age of household heads amongst the various housing types. It is however evident that housing categories classified as flats or townhouses or flats and rooms in backyards are occupied by large proportion of household heads younger than 30 years of age. Interesting to note is that the age profile of the heads of households in informal dwellings in backyards and dwellings within informal settlements are not significant than other types of housing categories.

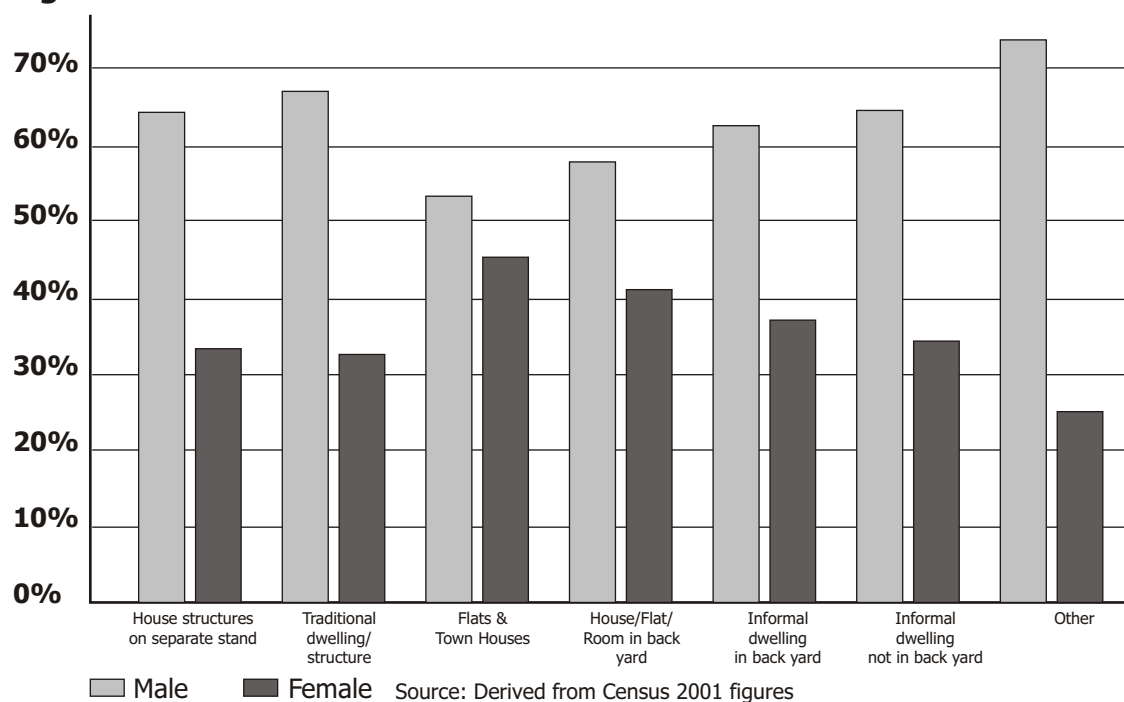
Figure 4: AGE OF HOUSEHOLD HEAD



Source: Derived from Census 2001 figures

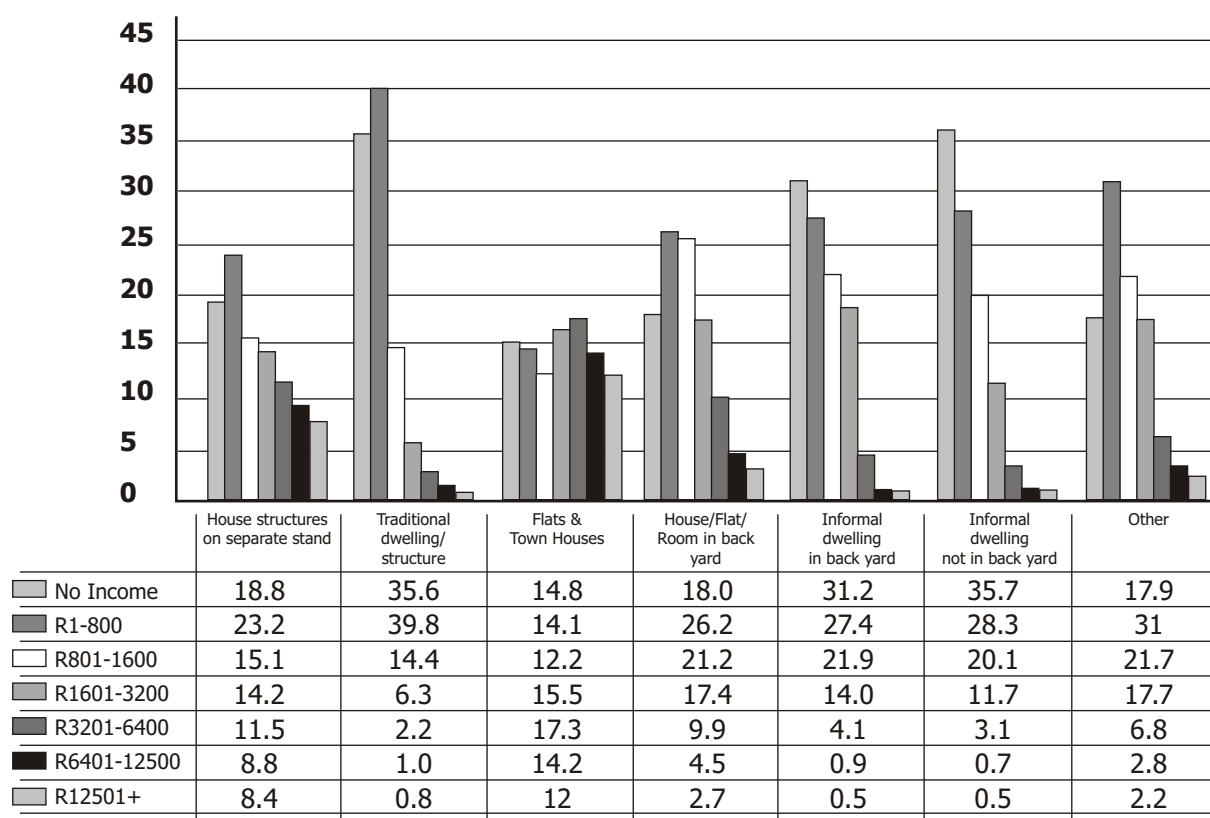
Gender of household head

The gender profile of household heads of various housing types is depicted in Figure 5. This information clearly indicates that most households are male headed in all the housing categories. In the case of houses on separate stands, traditional dwellings, informal dwellings in backyards, and informal dwellings in free standing settlements between 60% and 70% of household heads are represented by males. The comparative figure for flats and townhouses and flats/rooms in backyards are somewhat lower at approximately 54% and 55% respectively.

Figure 5: GENDER OF HOUSEHOLD HEAD

Household income

The combined monthly household income for the different housing categories in the Ditsobotla Municipality is depicted in figure 6. As expected, the average monthly household income of households residing in formal houses on separate stands, flats and townhouses, and flats in backyards are significantly higher compared to the other categories. In the case of flats and townhouses as much as 26% of households earn in excess of R6400 per household per month with the comparative figure for households residing in formal houses on separate stands 17.2%. Conversely, the proportion of households earning less than R800 per household per month are particularly high in structures constructed of traditional material and informal dwellings located in backyards or in free standings informal settlements. In both the case of traditional houses and informal dwelling in freestanding informal settlements, as much as 35% of all households do not have any income.

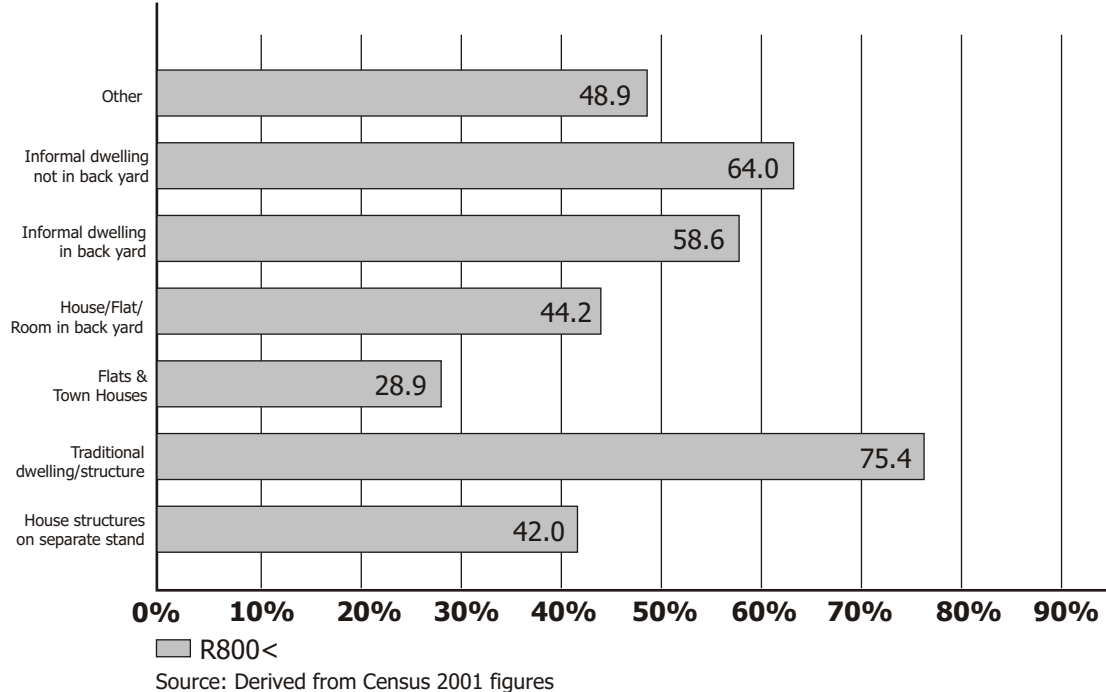
Figure 6: MONTHLY HOUSEHOLD INCOME PER DWELLING TYPES

Source: Derived from Census 2001 figures

Households with monthly income less than R800

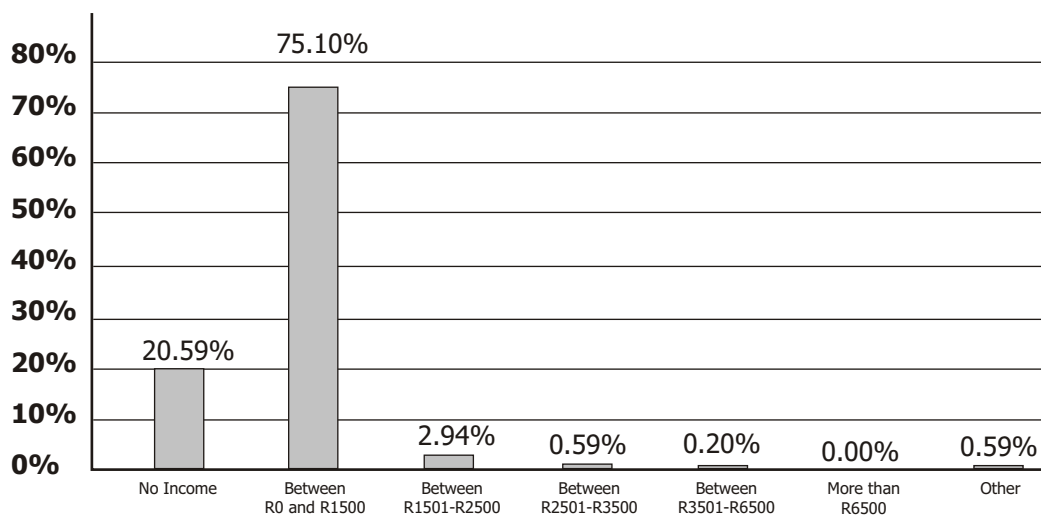
The summary information outlined in figure 7 clearly indicates that the overall lowest affordability levels are prevalent in traditional houses constructed of traditional materials were in excess of 75% of all households earning less than R800 per household per month. The comparative figures for households living in informal dwellings in freestanding informal settlements and informal dwellings in backyards are 64% and 58% respectively.

Figure 7: PERCENTAGE OF HOUSEHOLDS WITH MONTHLY INCOME LESS THAN R800



The results of the sample socio-economic survey in selected informal settlements of Ditsobotla conducted in 2005 also largely correspond with these figures. According to the results of this survey, approximately 21% of all households residing in informal settlements have no monthly income (compared to the comparative census figure of 35.7%). The sample survey also concluded that 75% of households earn between R1 and R1500 per month compared to 48% of the census survey respondents. Overall the sample socio economic survey suggested that nearly 95% of all households residing in the informal settlements earn less than R1500 per household per month. The comparative census figure is 84.1%

Figure 8: MONTHLY HOUSEHOLD INCOME SELECTED INFORMAL SETTLEMENTS



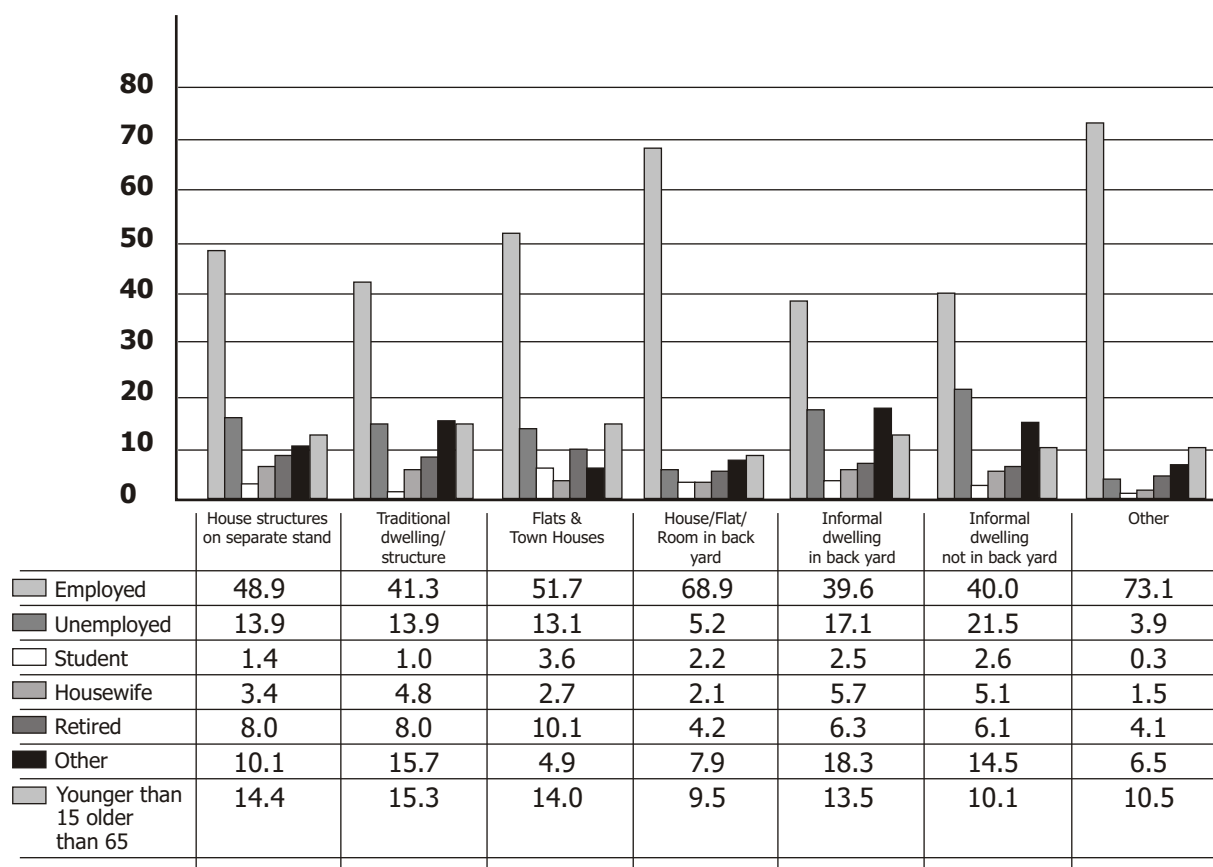
Source: Sample socio-economic survey in selected settlements 2005

EMPLOYMENT STATUS

The employment status of the household heads of different housing types is depicted in figure 9 below. This information indicates that the highest occurrence of unemployed household heads is prevalent in informal dwellings located in informal settlements where nearly 22% of household heads are classified as unemployed, and a further 14,5% as currently not working. Conversely, the proportion of employed household heads residing in flats in backyards, flats or townhouses, and houses on separate stands are relatively high with figures of 68%, 51% and 49% respectively.

These employment statistics also correspond with the results of the sample socio-economic survey conducted in selected informal settlements. According these survey results the percentage of household heads unemployed in informal settlements range between 19% in the case of Boikhutso to as high as 41% in Verdwaal. In addition, the proportion of employed household heads according the results of the socio-economic survey range between 18% in the case of Verdwaal. In addition, the proportion of employed household heads according the results of the socio-economic survey range between 18% in the case of Verdwaal, around 25% in Itsekeng and Tlhabologang to approximately 43% in Boikhutso. The comparative census figure is 40%.

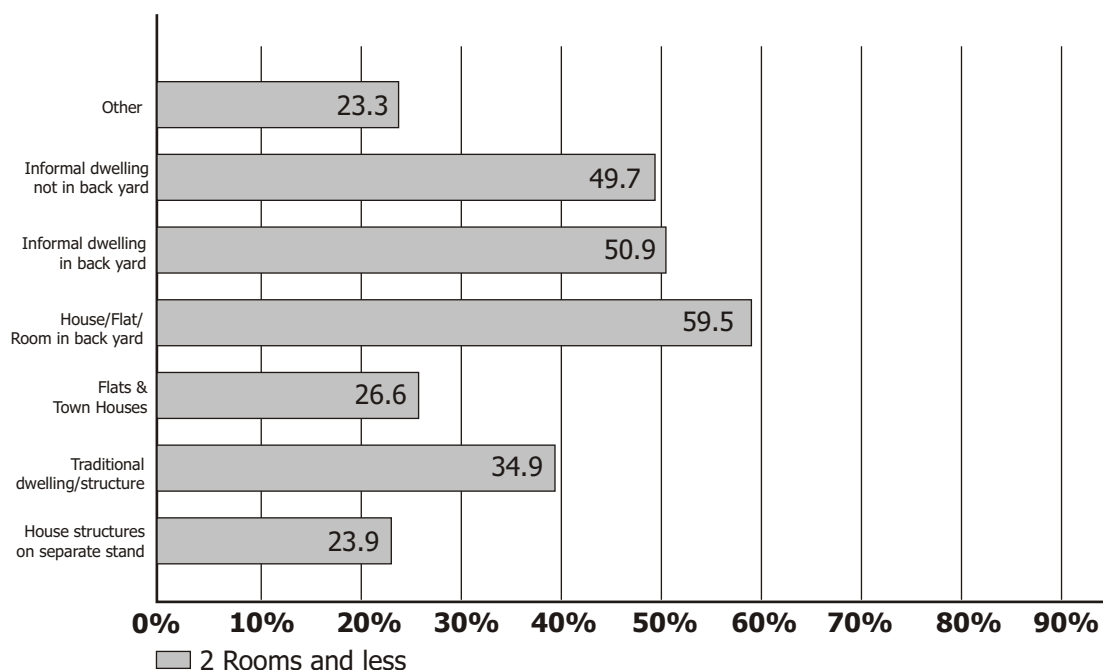
Figure 9: UNEMPLOYMENT STATUS



SIZE OF HOUSES

A qualitative overview of the size of houses according to the various housing types is outlined in Figure 10. As can be expected, the housing type with the highest proportion of units consisting of two rooms or less is flats and rooms in backyards. Also notable is that 50% of informal dwellings in backyards and informal dwelling in freestanding settlements consist of two rooms or less. Only 24% of houses on separate stands fall within this size category and more than 33% of formal houses consist of 5 or more rooms.

Figure 10: PERCENTAGE OF STRUCTURE WITH 2 ROOMS OR LESS

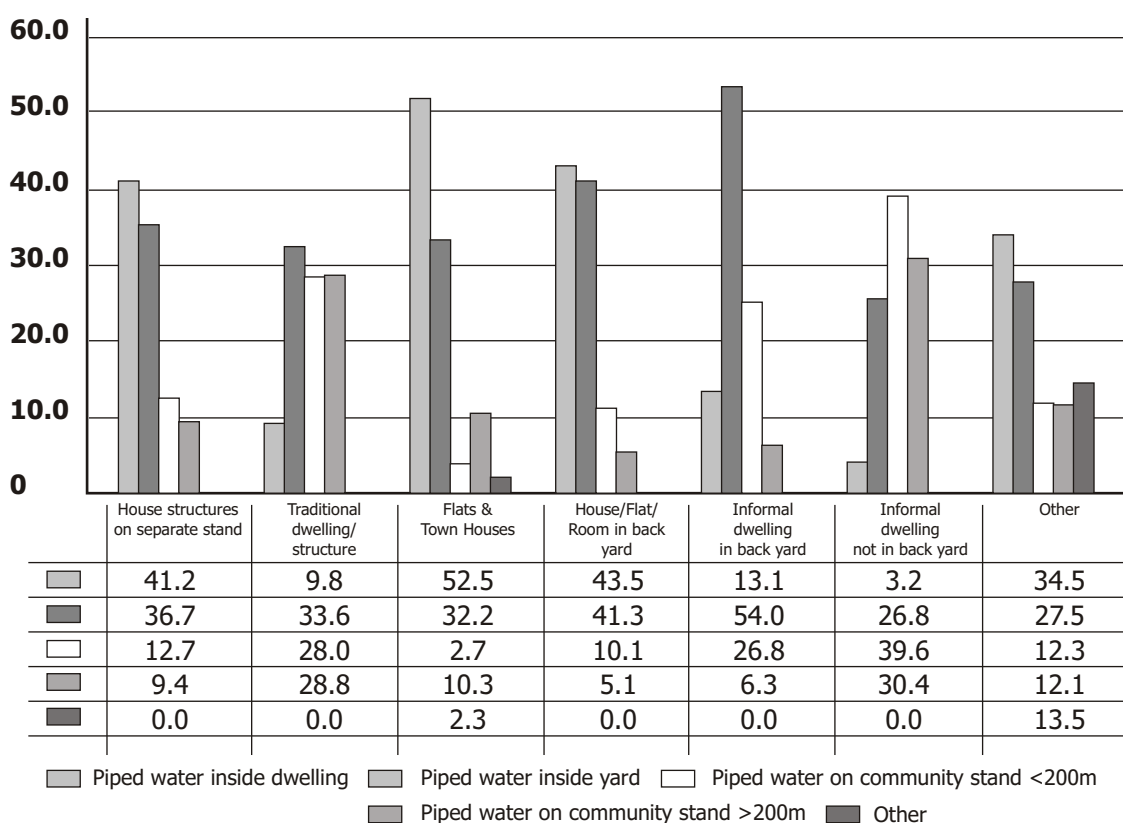


Source: Derived from Census 2001 figures

ACCESS TO SERVICES

The majority of formal housing structures (including flats and townhouses, flats or rooms in backyards, or houses on separate stands) receives piped water inside their dwelling or where relevant, piped water inside their yards. Of specific relevance is the fact that only 9.8% of traditional houses have access to piped water inside their dwellings. Households residing in informal dwelling in backyards generally have access to piped water inside their yard (54%) or access to piped water at a communal tap within 200m (26.6%). Conversely, as much as 30.4% of households residing in informal settlements do not have access to a communal tap within 200m of informal settlements is reliant on communal water taps. According to the findings of the sample socio-economic survey conducted during 2005 in selected informal settlements, this figure could be as high as 84% in the selected informal settlements that were surveyed.

Figure 11: WATER SUPPLY DWELLING TYPE



Source: Derived from Census 2001 figures

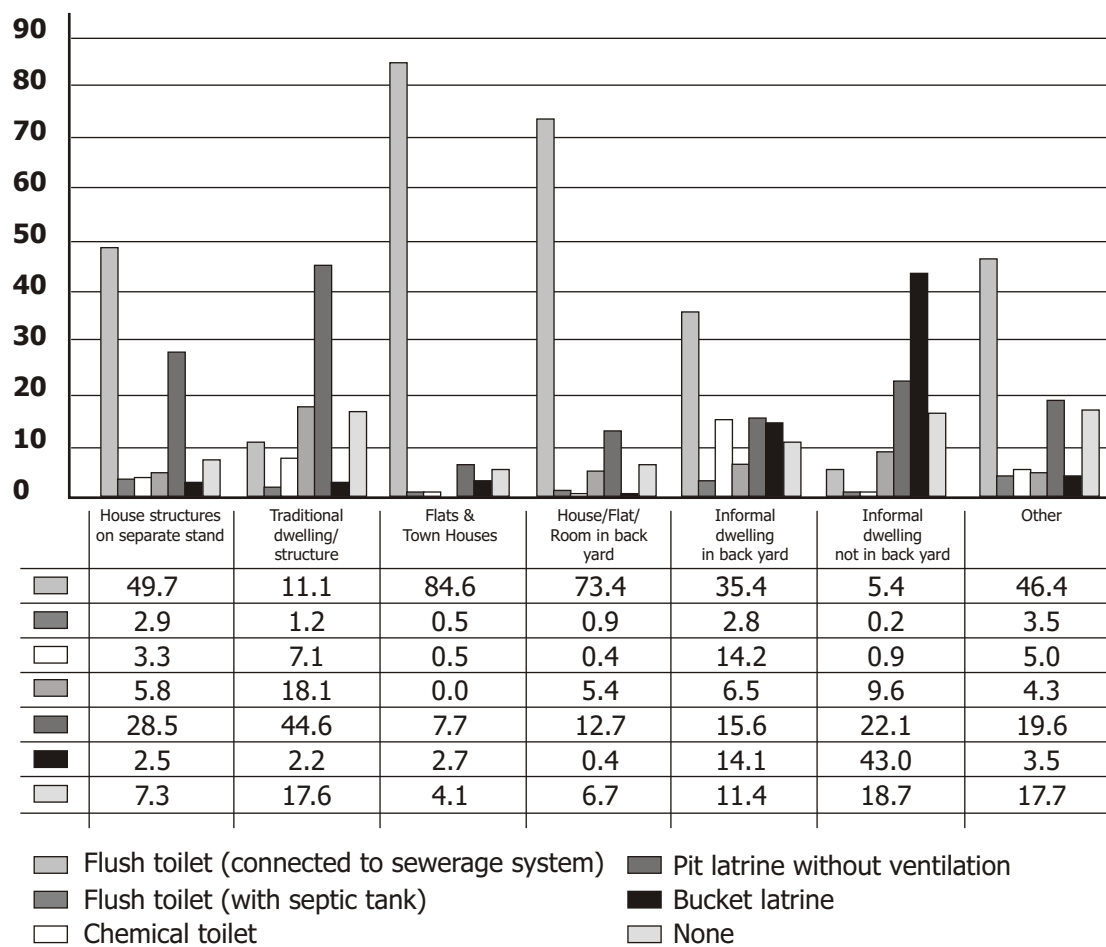
The majority of formal housing structure (in the form of flats or townhouses, flats or rooms in backyards or houses on separate stands) have access to a formal water borne sanitation system. See figure 11. Other notable features as far as informal housing types and traditional houses are concerned can be summarized as follows:

As much a 22% of household residing in informal dwellings in informal settlements are utilizing unimproved pit latrines, 43% bucket latrines and 18.7% does not have access to any for of sanitation infrastructure.

A total of 15.5% of households residing in informal dwellings is backyards are utilizing pit latrines without ventilation, 14.1% bucket latrines and 11.4% are without any form of sanitation.

Important to note is that a particularly high proportion of traditional dwelling only have access to unimproved pit latrines (44.6%)

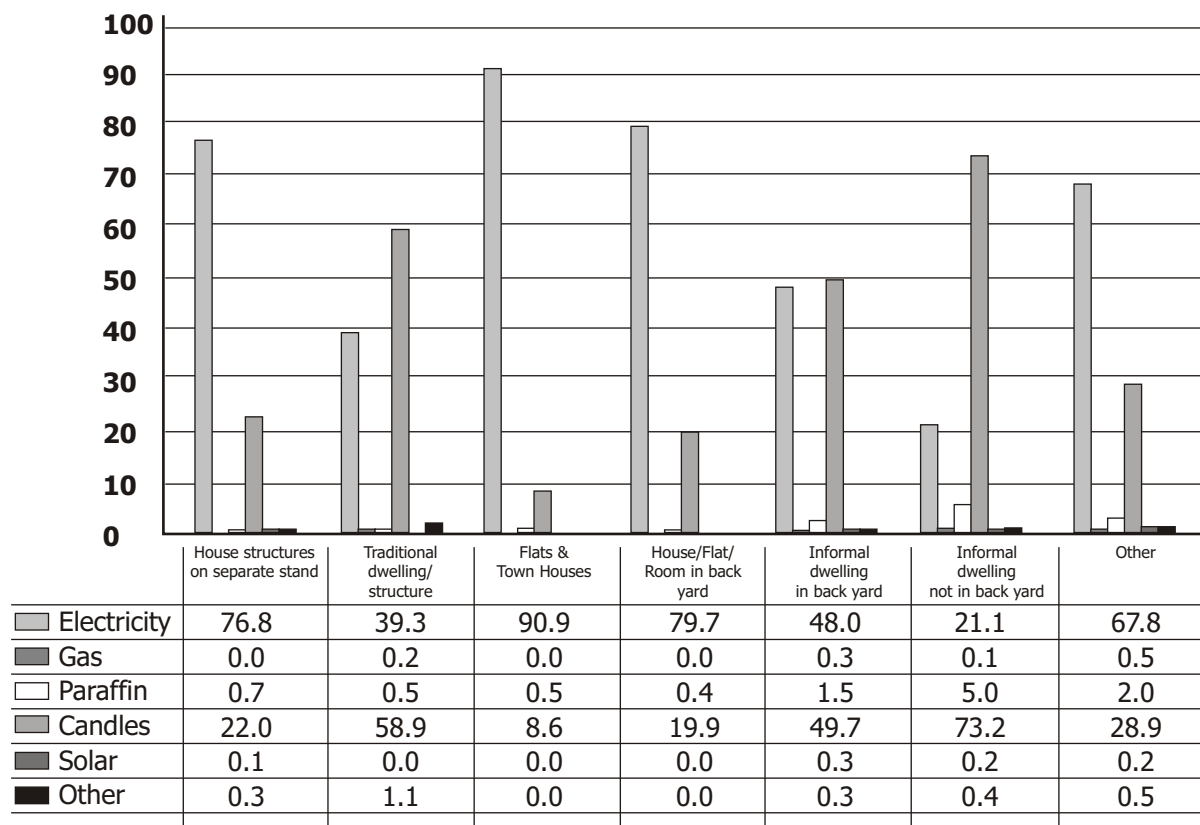
Figure 12: TOILET FACILITIES



Source: Derived from Census 2001 figures

The information depicted in figure 13 clearly illustrates that the vast majority of formal housing structure do have access to electricity for lighting purposes. However in the case of traditional dwelling constructed of traditional materials only 39% have got access to electricity for lighting, with as much as 59% utilizing candles. Only 48% of informal dwellings in backyards have access to electricity and only 21% of informal dwellings within the informal settlements.

Figure 13: LIGHTING SOURCES - page 16

Figure 13: LIGHTING SOURCES

Source: Derived from Census 2001 figures

EXECUTIVE SUMMARY

A statement of the overall goals and priorities, mission and vision for the municipality and how it will impact on the community, with a short statement of the municipality's relative financial health and important administrative considerations.

Economic development is a fundamental strategy in the fight against poverty. Challenge identified by the IDP in this regard include the effects of globalization with its connected mobility of foreign investment, our relative lack of skillful workers, general reduction internationally of commodity prices and a high outflow of buying power. The provision of capital infrastructure in terms of more labour intensive methodologies and the SMME sector are envisaged to play a vital role in the creation of sustainable opportunities as well as skills transfer.

Technology is one more key aspect needed to support sustainable development. The rapid change from Information Technology to Knowledge Management systems provides both opportunities as well as challenges to local government.

IDP not only reflects the extent of our community's needs and the council's strategic objects, but also how the council intends achieving its aims and objectives.

The IDP enables council to actively and effectively search for additional funds for development and capacity building from donor organization, inter-governmental grants and potential funding sources.

IDP encompasses a statement of intent and commitment to transformation, poverty alleviation and integrated local social and economic development, effective community consultation, more effective and efficient services delivery accountability of all office bearers and officials. It includes a capital expenditure framework aimed at substantially reducing service backlogs in the previously disadvantaged areas whilst at the same time providing for the maintenance of key infrastructure.

The Vision of the Ditsobotla Local Municipality

VISION

"The Ditsobotla Local Municipality will be recognized as the leading Local Authority in the North West in pursuit of progressive improvement of living conditions and service delivery, local economic growth and creating a safe and healthy living environment. This will be achieved through a transparent local government system which is fundamentally consultative in orientation"

CHAPTER 2

BACKGROUND OF SERVICES PROVIDED BY THE MUNICIPALITY AND THE PERFORMANCE HIGHLIGHTS FOR THE YEAR:

DEPARTMENT INFRASTRUCTURE

ELECTRICITY Provide electricity to households, businesses and rural areas. Challenges and Opportunities <ul style="list-style-type: none"> - Ageing of infrastructure - Electricity meter audits - Education of customers 			
Electrical Service Delivery	Number of households electrified during the financial year Number of new connections for electricity Number of new connections for electricity in ward 1 Number of new connections for electricity in ward 2 Number of new connections for electricity in ward 3 Number of new connections for electricity in ward 4 Number of new connections for electricity in ward 5 Number of new connections for electricity in ward 6 Number of new connections for electricity in ward 7 Number of new connections for electricity in ward 8 Number of new connections for electricity in ward 9 Number of new connections for electricity in ward 10 Number of new connections for electricity in ward 11 Number of new connections for electricity in ward 12 Number of new connections for electricity in ward 13 Number of new connections for electricity in ward 14 Number of new connections for electricity in ward 15 Number of new connections for electricity in ward 16 Number of new connections for electricity in ward 17 Number of new connections for electricity in ward 18 Number of new connections for electricity in ward 19 Number of disconnections on electricity Number of reconnections on electricity Cost of disconnections on electricity Cost of disconnections on electricity		
Streetlight service delivery	Number of new streetlights Number of new streetlights Ward 1 Number of new streetlights Ward 2 Number of new streetlights Ward 3 Number of new streetlights Ward 4 Number of new streetlights Ward 5 Number of new streetlights Ward 6 Number of new streetlights Ward 7 Number of new streetlights Ward 8 Number of new streetlights Ward 9 Number of new streetlights Ward 10 Number of new streetlights Ward 11 Number of new streetlights Ward 12 Number of new streetlights Ward 13 Number of new streetlights Ward 14 Number of new streetlights Ward 15 Number of new streetlights Ward 16 Number of new streetlights Ward 17 Number of new streetlights Ward 18 Number of new streetlights Ward 19		

WATER SERVICES

Challenges and Opportunities

- Tackling remaining water backlogs in urban and rural areas
- Maintenance of infrastructure and addressing deferred maintenance
- General extensions to infrastructure to support economic activities and income enhancement, inclusive of widening of the income base.
- Compilation of water and sanitation master plan.
- Implementation of water services policies and by-laws.
- Updating and review of the Water Services Development Plan(WSDP)
- Addressing vandalism and illegal connections.

Water Service Delivery

Number of new households provided with water during the financial year

Number of new connections for Water
 Number of new connections for water in ward 1
 Number of new connections for water in ward 2
 Number of new connections for water in ward 3
 Number of new connections for water in ward 4
 Number of new connections for water in ward 5
 Number of new connections for water in ward 6
 Number of new connections for water in ward 7
 Number of new connections for water in ward 8
 Number of new connections for water in ward 9
 Number of new connections for water in ward 10
 Number of new connections for water in ward 11
 Number of new connections for water in ward 12
 Number of new connections for water in ward 13
 Number of new connections for water in ward 14
 Number of new connections for water in ward 15
 Number of new connections for water in ward 16
 Number of new connections for water in ward 17
 Number of new connections for water in ward 18
 Number of new connections for water in ward 19
 Number of disconnections on water
 Number of reconnections on water
 Cost of disconnections on water
 Cost of disconnections on water
 Maintenance schedule for boreholes and pumps drawn up and approved by the accounting officer
 Monthly testing of water in all regions supplied by council
 No of water tests outside of norms

SEWERAGE SERVICES

Challenges and Opportunities

- Staffing to optimum levels for sanitation.
- Maintenance of infrastructure and addressing deferred maintenance.
- General extensions to infrastructure to support economic activities and income enhancement, inclusive of widening of the income base.
- Addressing vandalism

Sewerage service delivery

Number of new sewerage connections

Number of new connections for sewerage
 Number of new connections for sewerage in ward 1
 Number of new connections for sewerage in ward 2
 Number of new connections for sewerage in ward 3
 Number of new connections for sewerage in ward 4
 Number of new connections for sewerage in ward 5
 Number of new connections for sewerage in ward 6
 Number of new connections for sewerage in ward 7
 Number of new connections for sewerage in ward 8
 Number of new connections for sewerage in ward 9
 Number of new connections for sewerage in ward 10
 Number of new connections for sewerage in ward 11
 Number of new connections for sewerage in ward 12
 Number of new connections for sewerage in ward 13

Continued on page 19

	Number of new connections for sewerage in ward 14 Number of new connections for sewerage in ward 15 Number of new connections for sewerage in ward 16 Number of new connections for sewerage in ward 17 Number of new connections for sewerage in ward 18 Number of new connections for sewerage in ward 19		
ROADS <ul style="list-style-type: none"> • The maintenance and upgrading of tarred and gravel roads. • The maintenance and upgrading of sidewalks. • The maintenance and upgrading of storm-water systems • The management of the maintenance and upgrading of roads. • The management of the maintenance and upgrading of bridges and railway sidings. • The maintenance and upgrading of road furniture. • The planning and design of new civil engineering projects. • The appointment and management of consulting engineers for the new civil engineering projects. • The implementation, administration & supervision of the construction of new civil engineering projects. Challenges and Opportunities: <ul style="list-style-type: none"> - Funding - Staff shortages - Old and ageing infrastructure - Vandalism, theft of handrails, etc. - Fill funded vacant and critical posts - Aggressively source funding for upgrading and development of Amenities. - Maximise available resources to full potential. - Cut overtime and absenteeism. - Severe personnel shortage. 			
Roads Service Delivery	Number of new tar roads Number km of new road developed Number km of new tar road Number of new tar road Ward 0 Number of new tar road Ward 1 Number of new tar road Ward 2 Number of new tar road Ward 3 Number of new tar road Ward 4 Number of new tar road Ward 5 Number of new tar road Ward 6 Number of new tar road Ward 7 Number of new tar road Ward 8 Number of new tar road Ward 9 Number of new tar road Ward 10 Number of new tar road Ward 11 Number of new tar road Ward 12 Number of new tar road Ward 13 Number of new tar road Ward 14 Number of new tar road Ward 15 Number of new tar road Ward 16 Number of new tar road Ward 17 Number of new tar road Ward 18 Number of new tar road Ward 19		

COMMUNITY SERVICES & LIBRARY			
Service Delivery	No of vacation programmes provided to community		
HEALTH & SOLID WASTE			
Solid Waste Removal	Number of new connections for solid waste removal No. of new connections for solid waste removal - Ward 0 No. of new connections for solid waste removal - Ward 1 No. of new connections for solid waste removal - Ward 2 No. of new connections for solid waste removal - Ward 3 No. of new connections for solid waste removal - Ward 4 No. of new connections for solid waste removal - Ward 5 No. of new connections for solid waste removal - Ward 6 No. of new connections for solid waste removal - Ward 7 No. of new connections for solid waste removal - Ward 8 No. of new connections for solid waste removal - Ward 9 No. of new connections for solid waste removal - Ward 10 No. of new connections for solid waste removal - Ward 11 No. of new connections for solid waste removal - Ward 12 No. of new connections for solid waste removal - Ward 13 No. of new connections for solid waste removal - Ward 14 No. of new connections for solid waste removal - Ward 15 No. of new connections for solid waste removal - Ward 16 No. of new connections for solid waste removal - Ward 17 No. of new connections for solid waste removal - Ward 18 No. Of new connections for solid waste removal - Ward 19		
TRAFFIC : LICENSING <ul style="list-style-type: none"> • Examination of learner's licenses. • Examination of driver licenses. • Examination of roadworthiness. • Issuing of Professional driving permits. • Duplicate documents. • Renewal of driving • Licenses. • Monitoring of compliance with the National Road Traffic Act, 1996 • Provision of skills development and training to examination of driver/ learner and vehicle examination. • Implementation of Live Scan units and by doing so rendering a more effective and professional service delivery. • Registration and licensing of motor vehicles, with a friendly efficient service and zero tolerance towards fraud and corruption, with the resources available. Challenges and Opportunities: <ul style="list-style-type: none"> - Immediate filling of vacant positions to ensure continuous, effective and professional service delivery. - To overcome the challenge of accommodating several Driving Schools on the Testing Station premises. - Service delivery is seriously hampered due to lack of personnel. - Best Practice Model should be implemented, enough personnel are needed. TRAFFIC SERVICES <ul style="list-style-type: none"> - Traffic Law Enforcement. - Traffic wardens programme. - Scholar patrol programme. - Parking regulation. - Road marking and signs. 			

Service Delivery	Total no of call-outs Number of emergency call-outs Number standards call-outs Average response time to call-outs Average Response time- emergency call-outs Average Response time- Standard call-outs Total number of targeted traffic offences/ violations Number of parking offences Number of roadworthy offences Number of speeding offences Number of other traffic offences Total No of emergencies leading to a loss of life/disaster Number of traffic violations leading to death Number of household violations leading to death Number of public liabilities leading to death Total number of vehicle registration done for the month No of vehicle registration done for the month- Renewal Total no of vehicle tests completed for the month- LTX Total no of vehicle tests completed for the month- Coligny No of drivers license tests completed for the month No of drivers license tests completed for the month- LTX No of drivers license tests completed for the month- Coligny No of learners license tests completed for the month No of vehicle tests completed for the month- LTX No of vehicle tests completed for the month- Coligny	10 272 26 456 800 3 453 3 795 8 946 702	
FIRE, EMERGENCY & DISASTER FIRE SERVICES <ul style="list-style-type: none"> - Operational Fire fighting - Fire Services Training Centre - Fire Safety Challenges and Opportunities: <ul style="list-style-type: none"> - Obsolete and outdated resources (fire engines), lack of funding for rural area, fire fighting and manpower are making it difficult for the provision of effective and efficient fire fighting service to the communities and Council. - Fire Services Reservist Programme was established to compliment shortage of personnel. - Lack of manpower and funds limits the provision of training to the public, private sector and rural inhabitants as envisaged - Lack of manpower is the main difficulty in the provision of an effective and efficient fire safety service to the communities, industries and Council. DISASTER MANAGEMENT: <ul style="list-style-type: none"> • Disaster Management Centre • Control Centre Challenges and Opportunities: <ul style="list-style-type: none"> - Obsolete and outdated resources, lack of funding for rural areas and personnel shortage are making it difficult for the effective assessment of the Ditsobotla Local Municipality area. - The appointment of volunteers is being hampered by the involvement of politics and unions. - To integrate the Disaster Management Plan into the IDP. <p>Shortage of qualified personnel and a damaged ESS system is hampering the effectiveness of the control centre.</p>			

Service Delivery	Number of drowning No of other incidents leading to death Hydrant inspection and maintenance programme approved by Accounting Officer Percentage fire hydrant inspections as per programme as approved by the accounting Officer Percentage fire hydrant inspections Ward 0-4 Percentage fire hydrant inspections Ward 5 Percentage fire hydrant inspections Ward 6-8 Percentage fire hydrant inspections Ward 9-10 Percentage fire hydrant inspections Ward 11 - 19 Total no of hydrants inspected in council Number of fire hydrants inspected Ward 0 - 8 Number of fire hydrants inspected Ward 9 Number of fire hydrants inspected Ward 10-19 Building Plan Approvals Compliance Inspection Event Safety Inspections	29 % 50 % 10 % 5 % No Hydrants 80% 6 % No Hydrants 463 34 8	
HUMAN RESOURCE MANAGEMENT			
Optimal appointment of staff and succession planning for vacancies	No of appointments Total number of terminations No of terminations- Resignation No of terminations- Retirement No of terminations- Non renewal of contract No of terminations- Dismissal No of terminations- Other		
Healthy and Safety management in terms of the legislative requirements	No of Compliance orders issued against the council by the Dept of Labour No of Health and Safety committee meetings held No of LLF committee meetings held		
Labour Relations management	No of disciplinary actions implemented for the month No of grievance resolved for the month		
LEGAL SERVICES <ul style="list-style-type: none"> • Implement financial management procedures to ensure compliance with MFMA and other related financial prescripts. • Render effective and efficient HRM services in the Department/Unit. • Ensure compliance to Procurement acts, regulations and policies. • Meet continuously with internal and external stakeholders. • Provide legal advisory within the municipality. • Manage Labour Relations • Develop unit's compliance policies. • Valuations Performance Output: <ul style="list-style-type: none"> - Expenditure in line with projections. - Manage performance of the employees. - Grievance and disciplinary procedure fully implemented. - Adherence to EE plan in the unit. - Compliance with supply chain management prescripts. - Effective stakeholder network. - Audit done. - Policies developed. - Policies in place. - Updated policies. - Quarterly reports done. - Opinion written. - Advocacy workshops conducted. - Grievance resolved. - Managing valuation roll. - Effective contract management. - Due compliance with procedures in respect of response. 			

Valuation	Year of last property Regularity of property valuation		
Service Delivery	No of new contracts signed for the month No of new contracts signed for property purchases No of new contracts signed for property rentals No of new contracts signed with service providers No of new contracts signed -other No of contracts signed for the month No of contracts that ended for the month No of contracts that ended for property purchases No of contracts that ended for property rentals No of contracts that ended with service providers No of contracts that ended -other		
Service Delivery	Upgrade current Hardware and Software of council Value of hardware upgrade done Upgrade current network of council Value of network upgrade done Implement an access control system for council visitors and employees Value of access control system implemented Number of users of council IT systems % of Software licenses updated and in place Daily backups made and stored off site Number hours downtime of systems due to power failure	Done 100% 100% 100% HRM HRM 58 100% 100% None	
LED & TOURISM			
LED Service Delivery	No of incentives for business investment this month Cost of incentives for business investment this month No of urban renewal strategies this month No of rural development strategies this month Cost of rural strategies this month		
To enhance tourism in Ditsobotla	To establish a tourist information centre as funded by National Lottery Conduct place marketing campaigns that can include: website on the internet, brochures, information desk, newspaper adverts/promotions. Hosting sporting and cultural events is also a way of drawing attention to the location No of brochure and newspaper adverts/promotions on tourism distributed during the year		
HOUSING			
Service Delivery	Number of new households built in the municipality during 2005/2006 financial year Total no of new households provided with housing current No. of new households provided with housing current - Ward 1 No. of new households provided with housing current - Ward 2 No. of new households provided with housing current - Ward 3 No. of new households provided with housing current - Ward 4 No. of new households provided with housing current - Ward 5 No. of new households provided with housing current - Ward 6 No. of new households provided with housing current - Ward 7 No. of new households provided with housing current - Ward 8 No. of new households provided with housing current - Ward 9 No. of new households provided with housing current - Ward 10 No. of new households provided with housing current - Ward 11 No. of new households provided with housing current - Ward 12 No. of new households provided with housing current - Ward 13 No. of new households provided with housing current - Ward 14 No. of new households provided with housing current - Ward 15 No. of new households provided with housing current - Ward 16 No. of new households provided with housing current - Ward 17 No. of new households provided with housing current - Ward 18 No. of new households provided with housing current - Ward 19	10 34 10 120 68 3 2 5 1 5 25	

	Total value of new households provided with housing current Value of new households provided with housing current - Ward 1 Value of new households provided with housing current - Ward 2 Value of new households provided with housing current - Ward 3 Value of new households provided with housing current - Ward 4 Value of new households provided with housing current - Ward 5 Value of new households provided with housing current - Ward 6 Value of new households provided with housing current - Ward 7 Value of new households provided with housing current - Ward 8 Value of new households provided with housing current - Ward 9 Value of new households provided with housing current - Ward 10 Value of new households provided with housing current - Ward 11 Value of new households provided with housing current - Ward 12 Value of new households provided with housing current - Ward 13 Value of new households provided with housing current - Ward 14 Value of new households provided with housing current - Ward 15 Value of new households provided with housing current - Ward 16 Value of new households provided with housing current - Ward 17 Value of new households provided with housing current - Ward 18 Value of new households provided with housing current - Ward 19 Number of households to be provided with housing planned for next financial year Value of households to be provided with housing planned for next financial year	R 1 773 000 R 6 905 000 R 2 918 400 R 40 041 100 R 231 523 000 R 1 019 000 R 1 116 000 R 5 752 000 R 6 745 000 R 970 000	
PLANNING AND DEVELOPMENT			
LED service delivery	Spatial Development Framework in IDP includes spatial reconstruction policies, environmental, social and demographic trends, land-use policies and representation of sustainable human settlement vision No of encroachment applications received No of encroachment applications approved Value of encroachment applications		
PARKS AND WORKSHOP			
Service delivery	Vehicle register up to date and correspond to asset register All vehicles, plant and equipment received a general service twice per year All vehicles older than 6 years that is not economically repairable sold a public auction Vehicle replacement policy approved by council No obsolete vehicles replaced during the year under the replacement policy No of fines for vehicle with worn tyres		
EXCELLENCE			
Building excellence in council	Performance agreements signed No of council meetings held No of Exco meetings held No of portfolio committee meetings held No of customer complaints received No of customer complaints resolved Departmental meeting held with subordinates No of council resolutions implemented No of council resolutions received in action tracker No of portfolio committee meetings held for the month No of ward meetings attended for the year % of community and customer complaints resolved Average lead time on customer complaints resolution Annual personnel survey on Directorates perception & working conditions % of grievances resolved to improve labour relations No of suppliers utilised from the supply chain management system <i>Continued on page 25</i>		

	% of council meetings attended % of Exco meetings attended % of Portfolio committee meetings attended % of council resolutions implemented		
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COLLECTION LEVELS FOR REVENUE DUE

PROGRESS IN ELIMINATING BACKLOGS IN SERVICE DELIVERY FOR THE KEY SERVICES FOR THE KEY FUNCTIONS OF WATER, ELECTRICITY, SANITATION, REFUSE REMOVAL AND ROADS

Backlogs in Service Delivery

Backlogs in service delivery is intended to show the number of households that do not have access to the minimum services (level standard) as specified by the relevant sector department or within national policy

For example, 6KL of clean water and 30 Kwh of electricity per households per month are required to meet the minimum service standards.

When reporting on backlogs it is important to describe the service standards used by the municipality to calculate backlogs.

E.g some municipalities work on 50 Kwh per household and this will need to be clearly specified in the annual report.

Level and Standard of Service

In relation to provision of water:

- Piped water to each dwelling would be considered as a high level of service
- Communal standpipe greater than 200m from the dwelling would be considered a relatively lower level of services.

BUILDING AND ZONING PLANS 2005/2006

Applications outstanding 1 Jul 2005	Category	No. of new applications received 2005/2006	Total value of applications received Rand	Applications outstanding 30 June 2006
	Residential new	218	Plan Fee R 578 345.02	21
	Residential additions	215	Est. Cost R85 838 799.02	
	Commercial	13		
	Industrial	1		
	Other (specify)			
			TOTAL: R 86 417 144	

CHAPTER 3

SECTION A

HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT

THE ORGANISATIONAL STRUCTURE OF THE DITSOBOTLA MUNICIPALITY IS MADE UP OF SENIOR MANAGERS AS FOLLOWS:

1. EQUITY PLAN FOR SECTION 57 EMPLOYEES									
OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
	■	■	■	□	■	■	■	□	
Executive Mayor					1				1
Office of the Speaker					1				1
Municipal Manager	1								1
Finance	1								1
Public Safety	1								1
Corporate Services				1					1
Infrastructure	1								1
Social Services	3								3
Housing	1								1
Health and Environment									0
TOTAL	8			1	2				11

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SECTION B









WORKFORCE PROFILE

THE ORGANISATIONAL STRUCTURE OF THE DITSOBOTLA MUNICIPALITY IS MADE UP OF SENIOR MANAGERS AS FOLLOWS:

2. TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES									
OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
	■	■	■	□	■	■	■	□	
Legislators, senior officials and managers	7	0	0	4	1	0	0	1	13
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	3	0	0	0	5	1	1	6	16
Clerks	17	1	0	1	20	0	0	10	49
Service and sales workers	16	2	0	6	4	0	1	1	30
Skilled agricultural and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	12	1	0	12	0	0	0	0	25
Plant and machine operators and assemblers	18	1	0	4	0	0	0	0	23
Elementary occupations	203	2	0	0	25	1	0	0	231
TOTAL PERMANENT	276	7	0	27	55	3	1	18	387
Non-permanent employees	10	0	0	0	11	0	0	0	21
GRAND TOTAL	286	7	0	27	66	5	2	18	412









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3. TOTAL NUMBER OF EMPLOYEES WITH DISABILITIES IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
									
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	0
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	0	0	0	0	0	0	0	0	0
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agricultural and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	0	0	0	0	0	0	0	0	0
Non-permanent employees	0	0	0	0	0	0	0	0	10
GRAND TOTAL	0	0	0	0	0	0	0	0	10









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4. TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL LEVELS

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
									
Legislators, senior officials and managers	7	0	0	4	1	0	0	1	13
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	3	0	0	0	5	1	1	6	16
Clerks	17	1	0	1	20	0	0	10	49
Service and sales workers	16	2	0	6	4	0	1	1	30
Skilled agricultural and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	12	1	0	12	0	0	0	0	25
Plant and machine operators and assemblers	18	1	0	4	0	0	0	0	23
Elementary occupations	203	2	0	0	25	1	0	0	231
TOTAL PERMANENT	276	7	0	27	55	3	1	18	387
Non-permanent employees	10	0	0	0	11	0	0	0	21
GRAND TOTAL	286	7	0	27	66	5	2	18	412









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5. TOTAL NUMBER OF EMPLOYEES(INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL LEVELS

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
									
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	0
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	0	0	0	0	0	0	0	0	0
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agricultural and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	0	0	0	0	0	0	0	0	0
Non-permanent employees	0	0	0	0	0	0	0	0	10
GRAND TOTAL	0	0	0	0	0	0	0	0	10

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6. TOTAL NUMBER OF EMPLOYEES (INC. EMPLOYEES WITH DISABILITIES) THAT ARE INVOLVED IN OPERATIONAL/CORE FUNCTION POSITIONS AT EACH LEVEL IN YOUR ORGANISATION.

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
									
Top management	0	0	0	0	0	0	0	0	0
Senior management	4	0	0	2	1	0	0	1	8
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisions, foremen and superintendents	20	3	0	18	4	1	1	6	53
Semi-skilled and discretionary decision making	41	1	0	5	20	1	0	7	75
Unskilled and defined decision making	201	2	0	0	25	1	0	0	229
TOTAL PERMANENT	267	6	0	25	50	3	1	14	366
Non permanent employees	0	0	0	0	1	0	0	0	1
GRAND TOTAL	267	6	0	25	51	3	1	14	367

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7. TOTAL NUMBER OF EMPLOYEES(INCLUDING PEOPLE WITH DISABILITIES), THAT ARE INVOLVED IN SUPPORT FUNCTION POSITIONS IN YOUR ORGANISATION									
OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
	■	■	■	□	■	■	■	□	
Top management	0	0	0	0	0	0	0	0	0
Senior management	3	0	0	2	1	0	0	0	5
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisions, foremen and superintendents	1	0	0	0	0	0	0	2	3
Semi-skilled and discretionary decision making	4	1	0	0	4	0	0	2	11
Unskilled and defined decision making	1	0	0	0	5	0	0	0	1
TOTAL PERMANENT	9	1	0	2	5	0	0	4	21
Non permanent employees	10	0	0	0	10	0	0	0	20
GRAND TOTAL	19	1	0	2	15	0	0	4	41

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SECTION C:

WORKFORCE MOVEMENT

8. RECRUITMENT									
8.1 TOTAL NUMBER OF NEW RECRUITS, INCLUDING PEOPLE WITH DISABILITIES									
OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
	■	■	■	□	■	■	■	□	
Top management	0	0	0	0	0	0	0	0	0
Senior management	2	0	0	0	1	0	0	0	3
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisions, foremen and superintendents	5	0	0	0	1	0	1	0	10
Semi-skilled and discretionary decision making	17	0	0	0	10	1	0	0	29
Unskilled and defined decision making	14	0	0	0	2	0	0	0	16
TOTAL PERMANENT	38	0	0	4	14	1	1	0	58
Non permanent employees	6	0	0	0	10	0	0	0	16
GRAND TOTAL	44	0	0	4	24	1	1	0	74

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8.2 TOTAL NUMBER OF NEW RECRUITS WITH DISABILITIES ONLY IN EACH OF THE FOLLOWING OCCUPATIONAL LEVELS

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
									
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisions, foremen and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	0	0	0	0	0	0	0	0	0
Non permanent employees	2	0	0	0	8	0	0	0	10
GRAND TOTAL	2	0	0	0	8	0	0	0	10

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9. PROMOTION

9.1 TOTAL NUMBER OF PROMOTIONS INTO EACH OCCUPATIONAL LEVEL, INCLUDING PEOPLE WITH DISABILITIES

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
									
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	0	0	0	0	0	0	0	0	0
Non permanent employees	0	0	0	0	0	0	0	0	0
GRAND TOTAL	0	0	0	0	0	0	0	0	0

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9.2 TOTAL NUMBER OF PROMOTIONS INVOLVING PEOPLE WITH DISABILITIES ONLY IN EACH OCCUPATIONAL LEVEL

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
									
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	0	0	0	0	0	0	0	0	0
Non permanent employees	0	0	0	0	0	0	0	0	0
GRAND TOTAL	0	0	0	0	0	0	0	0	0

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10. TERMINATION

10.1 NUMBER OF TERMINATIONS IN EACH OCCUPATIONAL LEVEL, INCLUDING PEOPLE WITH DIABILITIES

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
									
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	2	0	0	0	1	3
Professionally qualified and experienced specialists and mid-management	0	0	0	2	0	0	0	1	3
Skilled technical and academically qualified workers, junior management, supervisions, foremen and superintendents	1	0	0	3	1	0	0	3	7
Semi-skilled and discretionary decision making	3	0	0	0	1	0	0	3	7
Unskilled and defined decision making	10	0	0	0	0	0	0	0	10
TOTAL PERMANENT	14	0	0	7	2	0	0	8	31
Non permanent employees	2	0	0	0	0	0	0	0	2
GRAND TOTAL	16	0	0	7	2	0	0	8	33









 African  Coloured  Indian  White

10.2 TOTAL NUMBER OF TERMINATIONS INVOLVING PEOPLE WITH DISABILITIES ONLY IN EACH OCCUPATIONAL LEVEL

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
									
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisions, foremen and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	0	0	0	0	0	0	0	0	0
Non permanent employees	0	0	0	0	0	0	0	0	0
GRAND TOTAL	0	0	0	0	0	0	0	0	0









 African  Coloured  Indian  White

10.3 TOTAL NUMBER OF TERMINATIONS IN EACH TERMINATION CATEGORY BELOW

TERMINATIONS	MALE				FEMALE				TOTAL
									
Resignation	3	0	0	6	1	0	0	6	16
Non-renewal of contract	1	0	0	0	0	0	0	0	1
Dismissal-Operational requirements (retrenchment)	0	0	0	0	0	0	0	0	0
Dismissal - misconduct	0	0	0	0	0	0	0	1	1
Dismissal - incapacity	0	0	0	0	0	0	0	0	0
Other	12	0	0	1	0	0	0	1	14
TOTAL	16	0	0	7	1	0	0	8	32









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10.4 TOTAL NUMBER OF TERMINATIONS INVOLVING PEOPLE WITH DISABILITIES ONLY IN EACH TERMINATION CATEGORY BELOW

TERMINATIONS	MALE				FEMALE				TOTAL
									
Resignation	0	0	0	0	0	0	0	0	0
Non-renewal of contract	0	0	0	0	0	0	0	0	0
Dismissal-Operational requirements (retrenchment)	0	0	0	0	0	0	0	0	0
Dismissal - misconduct	0	0	0	0	0	0	0	0	0
Dismissal - incapacity	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0









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SECTION D**DISCIPLINARY ACTION**

11. DISCIPLINARY ACTION									
	MALE				FEMALE				TOTAL
									
Disciplinary Action	8	0	0	0	0	0	0	1	9

 African  Coloured  Indian  White

SECTION E**SKILLS DEVELOPMENT**

12. TRAINING :									
12.1 (REPORT THE TOTAL NUMBER OF PEOPLE WHO RECEIVED TRAINING INCLUDING PEOPLE WITH DISABILITIES AND NOT THE NUMBER OF TRAINING COURSES ATTENDED, IN EACH OCCUPATIONAL CATEGORY).									
OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
									
Legislators, senior officials and managers	4	0	0	0	0	0	0	0	4
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	2	0	0	0	1	0	0	0	3
Clerks	4	0	0	0	1	0	0	0	5
Service and sales workers	6	0	0	1	2	1	0	0	10
Skilled agricultural and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related traders workers	1	0	0	0	0	0	0	0	1
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	3	0	0	0	0	0	0	0	3
TOTAL PERMANENT	20	0	0	0	4	1	0	0	26
Non permanent employees	6	0	0	0	8	0	0	0	14
GRAND TOTAL	26	0	0	1	12	1	0	0	40

 African  Coloured  Indian  White

12.2 TOTAL NUMBER OF PEOPLE WITH DISABILITIES ONLY, AND NOT THE NUMBER OF TRAINING COURSES ATTENDED, WHO RECEIVED TRAINING IN EACH OCCUPATIONAL CATEGORY

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
	■	■	■	□	■	■	■	□	
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	0
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	0	0	0	0	0	0	0	0	0
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agricultural and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related traders workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	0	0	0	0	0	0	0	0	0
Non permanent employees	2	0	0	0	8	0	0	0	10
GRAND TOTAL	2	0	0	0	8	0	0	0	10









■ African ■ Coloured ■ Indian □ White

12.3 TOTAL NUMBER OF PEOPLE INCLUDING FOR PEOPLE WITH DISABILITIES, AND NOT THE NUMBER OF TRAINING COURSES ATTENDED, WHO RECEIVED TRAINING IN EACH OCCUPATIONAL LEVEL

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
	■	■	■	□	■	■	■	□	
Top management	0	0	0	0	0	0	0	0	0
Senior management	4	0	0	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	1	0	0	0	1	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisions, foremen and superintendents	6	0	0	1	0	0	0	0	7
Semi-skilled and discretionary decision making	6	0	0	0	3	1	0	0	10
Unskilled and defined decision making	3	0	0	0	0	0	0	0	3
TOTAL PERMANENT	20	0	0	1	4	1	0	0	26
Non permanent employees	6	0	0	0	8	0	0	0	14
GRAND TOTAL	26	0	0	1	12	1	0	0	40









■ African ■ Coloured ■ Indian □ White

12.4 TOTAL NUMBER OF PEOPLE WITH DISABILITIES ONLY, AND NOT THE NUMBER OF TRAINING COURSES ATTENDED, WHO RECEIVED TRAINING IN EACH OCCUPATIONAL LEVEL

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
									
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisions, foremen and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	0	0	0	0	0	0	0	0	0
Non permanent employees	2	0	0	0	8	0	0	0	10
GRAND TOTAL	2	0	0	0	8	0	0	0	10

 African  Coloured  Indian  White

13. BURSARIES

	MALE				FEMALE				TOTAL
									
Bursaries awarded	18	0	0	2	4	0	0	1	25

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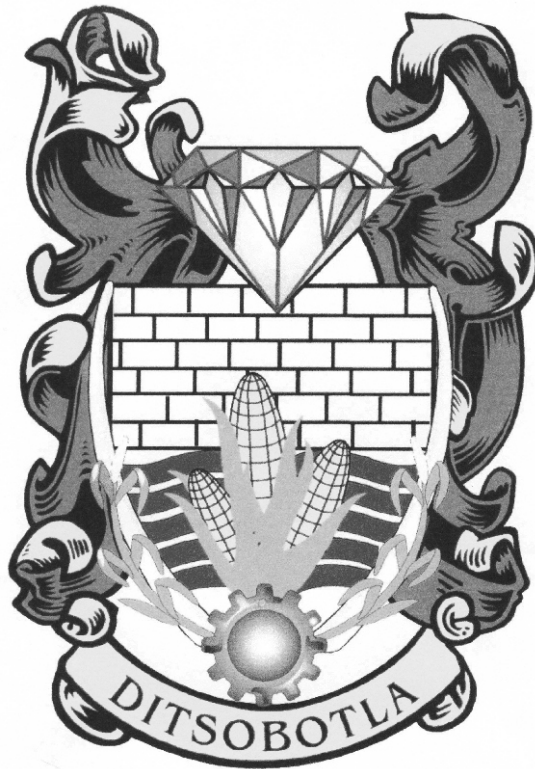
Disclosures Concerning Councillors, Directors and Senior Officials For the period 1 July 2005 to 30 June 2006

Description	Mayor	Executive Councillors (list individually)	Municipal Manager	CFO	Other Senior Managers (list individually)	TOTAL
Salaries and Wages R'000						
Normal	R134 999	R948 802	R304 957	R259 978	(Batsi) R254 621	R1903 357
Normal					(Nxum) R254 621	R254 621
Contributions						
Pensions	R14 346	R19 297	R69 416	R57 487	(Batsi) R56 014	R216 560
Medical Aid					R36 014	R36 014
Other			R16 776		R2 200 (Nxum)	R18 976
Allowances R'000						
Travel and Motor Car	R30 200	R130 608	R124 123	R119 687	(Batsi) R113 730	R518 348
Accommodation					R111 697 (Nxum)	R111 697
Subsistence						
Housing Benefits and Allowances R'000	R6 591					R6 591
Loans and Advances R'000						
Other Benefits and Allowances R'000			R31 343	R21 690	(Batsi) R16 762	R69 795
Arrears Owed to Municipality R'000						

CHAPTER 4

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

DITSOBOTLA LOCAL MUNICIPALITY [NW 384]



DECLARATION

I am responsible for the preparation of these annual financial statements, which are set out according to Section 125(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 23 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

.....
M M MOSELANE
MUNICIPAL MANAGER

.....
30TH JUNE 2006
DATE

REPORT OF THE AUDITOR-GENERAL TO THE MEMBERS OF THE COUNCIL ON THE FINANCIAL STATEMENTS OF DITSOBOTLA LOCAL MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2006

AUDIT ASSIGNMENT

The financial statements as set out on pages 53 to 71, for the year ended 30 June 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 126 (3) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). These financial statements are the responsibility of the municipal manager. My responsibility is to express an opinion on these financial statements, based on the audit.

SCOPE

The audit was conducted in accordance with the International Standards of Auditing read with General Notice 1512 of 2006, issued in Government Gazette no. 29326 of 27 October 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

BASIS OF ACCOUNTING

The municipality's policy is to prepare the financial statements on the entity specific basis of accounting as described in note 1 of the accounting policies to the financial statements.

QUALIFICATION

4.1 Opening balances

It was not possible to verify the accuracy of the opening balances because of the impact of prior year qualifications and limitation of scope. The necessary audit adjustments were not effected and the appropriate documentation could subsequently not be supplied.

4.2 Revenue

4.2.1 Completeness, accuracy and validity

As a result of the under-mentioned deficiencies, I could not establish the completeness, accuracy and validity of revenue disclosed as R97 million in the financial statements: In terms of section 10G(6)(b) of the Local Government Transition Act, 1993 (Act 209 of 1993) as amended, valuations on property should be performed every four (4) years. The valuation was performed but not captured and the last valuations captured were in March 2002, as a result revenue has been understated.

4.2.1.1 Receipts amounting to R8.8 million were not recorded in the accounting records.

4.2.1.2 An unreconciled difference of R5.1 million between schedule 3 of the Division of Revenue Act, 2005 (Act No.1 of 2005) (DORA) and the amount according to the financial statements, in respect of the equitable share, was identified at year-end.

4.2.1.3 Sewerage points on erven could not be provided for audit purposes. As a result it was not possible to determine the accuracy of amounts billed to debtors and the amount of R2.9 million included as income.

4.2.1.4 Improvements on household properties were not valued timeously; therefore rates on those properties were not updated.

4.2.1.5 Applications that were made for rezoning which were approved by council were not changed on the accounting system.

4.2.1.6 No register was kept for deposits and hall rentals.

4.2.1.7 Furthermore, the calculation of the distribution loss of the water and electricity services could not be submitted for audit purposes.

4.2.2 Collection costs

The municipality utilises the services of a debt collector who is remunerated on a commission basis. However, commission is also paid to the service provider for regular paying ratepayers. The over-paid commission is therefore regarded as fruitless and wasteful expenditure.

4.3 Salaries and wages

A material unreconciled difference amounting to R5.5 million existed between the payroll register/system balance and the amount disclosed as salaries, wages and allowances in the financial statements, and therefore the figure reflected in the financial statements is misstated.

4.4 Expenditure

4.4.1 A detailed break-down list in respect of capital charges and amounts charged, to the value of R1.1 million and R0.2 million respectively, could not be provided.

4.4.2 Lease agreements amounting R14 million could not be submitted.

4.4.3 Various misallocations amounting to R0.4 million were noted.

4.5 Fixed assets

The existence, rights and obligations, completeness, valuation and allocation, classification and disclosure of fixed assets to the value of R10 million could not be confirmed due to the following:

4.5.1 Additions amounting to R1.4 million of which details could not be supplied were not recorded in the financial statements and fixed assets register. Moreover, the said amount was not budgeted for.

4.5.2 The asset register submitted for audit purposes was not adequate, as it did not contain all the required information with regard to supplier, make, model, model number, date acquired, purchase price, etc.

4.5.3 Not all the assets were bar-coded, and some of the assets were found in a different location to that indicated in the register.

4.5.4 An asset count for the year under review was not performed.

4.5.5 A list of all projects undertaken could not be provided for audit purposes, as a result it could not be confirmed that all capital projects were capitalised.

4.5.6 No asset reconciliation was performed.

4.6 Investments

The validity and accuracy of the investment amounting to R47 million could not be confirmed as a result of the under-mentioned deficiencies:

4.6.1 An investment policy could not be submitted.

4.6.2 An investment register was not maintained.

4.6.3 A break-down and supporting documentation for R2.3 million in respect of withdrawals could not be submitted.

4.6.4 A break-down and supporting documentation for R9.2 million in respect of investments could not be submitted.

4.6.5 Supporting documentation in respect of R19 million for investments in trust and partnerships could not be submitted.

4.7 Debtors

I could not confirm the existence, completeness, valuation and allocation, classification and disclosure of debtors amounting to R68 million as disclosed in the financial statements due to the following deficiencies, which serve as examples only:

- 4.7.1 The breakdown as well as supporting documentation for an amount of R28 million included in the above figure could not be submitted.
- 4.7.2 Debtors to the value of R17 million were written off. Detailed transactions to validate the write-off could not be verified.
- 4.7.3 The provision for irrecoverable debts amounted to R16.8 million is considered to be inadequate as debtors outstanding for more than 120 days amounted to R45 million. Moreover the municipality could not supply the basis of calculation in respect of provision for bad debts.
- 4.7.4 This indicates that the measures implemented to recover outstanding debts were inadequate, with the resulting negative impact on the cash flow position of the council.
- 4.7.5 Various differences were identified in respect of the general ledger and age-analysis.
- 4.7.6 The municipality does not have a service level agreement with the service providers.

4.8 Funds and reserves

- 4.8.1 Funds and reserves were not supported by cash and investments, since funds and reserves exceed cash and investments by R10.5 million
- 4.8.2 Furthermore the contributions to the Capital Reserve Funds of R1,6 million and expenditure have been overstated by R845 761.
- 4.8.3 Supporting documentation as well as the supporting documentation in respect of Non distributable reserve amounting to R12.6 million could not be submitted. Moreover the said balance remained un-changed for the past few years.
- 4.8.4 Movement of R0.3 million in respect of Land Trust Fund could not be explained.

4.9 Creditors

The supporting documentation and detailed breakdown of an amount of R36 million in respect of accruals could not be submitted.

4.10 Cash and bank

- 4.10.1 A material unreconciled difference amounting to R26 million existed between the cashbook balance and the amount disclosed as cash and bank in the financial statements.
- 4.10.2 The municipality did not comply with section 45(3) and 70(2) of the MFMA.
- 4.10.3 Various disclosure discrepancies amounting to R5.8 million were noted.

4.11 Value-added tax (VAT)

- 4.11.1 A material unreconciled difference amounting to R5 904 610 existed between the balance of VAT returns and the amount disclosed as VAT payable in the financial statements.
- 4.11.2 Uncertainty exists as to the rights and obligations and completeness of the VAT payable amounting to R8 million as various discrepancies were identified in respect of VAT input claimed and output declared.

4.12 Inventory

Control and management of inventory were not adequate, as records pertaining to inventory movement and reconciliations were not kept for the financial year. The existence, rights and obligations, completeness, valuation and allocation, classification and disclosure of inventory to the value of R1.5million could not be verified.

4.13 Cash flow statements

The shortcomings listed hereunder were identified in relation to the cash flow statement:

- 4.13.1 Prior year figures of R230 486 in the cash flow statement do not agree to the figures in note 20 amounting to R220 486.
- 4.13.2 An amount of R95 000 of investments in fixed assets as per cash flow statement does not agree to note 4.
- 4.13.3 The municipality could not provide a detailed breakdown and supporting documentation of the prior year adjustment in respect of operating transactions amounting to R33.9 million which should not have been included in the cash flow statement.
- 4.13.4 The decrease in cash was incorrectly disclosed in the cash flow statement as an increase. The same mistake was made in note 22.
- 4.13.5 The increase in current liabilities amounting to R4 million (other/town development suspense) was not taken into account in the cash flow statement. There is also no note for the increase in current liabilities.

4.14 Long-term liabilities

- 4.14.1 A detailed break-down of R5.5 million in respect of the short-term portion could not be provided.
- 4.14.2 Journals amounting to R12 million could not be provided.

4.15 Town development suspense account

The municipality could not provide supporting documentation for R8.8 million in respect of the town development suspense account.

4.16 Appropriations account

Unexplained differences existed amounting to R5.6 million in respect of the prior year adjustment.

4.17 Accounting records

The municipality's computer systems crashed twice during the current year. As the municipality did not make regular backups in the financial year, they ended up losing all their data. This resulted in material differences between the general ledger and annual financial statements as reported in the preceding paragraphs.

The municipality's records did not permit the application of alternative auditing procedures regarding any of the above-mentioned items. Consequently I did not obtain all the information and explanations I considered necessary to establish the validity, accuracy and completeness of the account balances.

The cause of the above shortcomings stem from the severe capacity constraints and competency and skills shortage in the finance component of the municipality. Performance reviews are not done, physical control is lacking and segregation of duties is not applied in most instances. Furthermore, no reconciliations or reviews of information/exceptions were done.

5. ADVERSE AUDIT OPINION

In my opinion, because of the significance of the matters discussed in the preceding paragraph and its effect on the financial statements, the financial statements do not present fairly, in all material respects, the financial portion of the Ditsobotla Local Municipality at 30 June 2006 and the results of its operations and cash flows for the year then ended, in accordance with the basis of accounting determined by National Treasury of South Africa, as described in note 1 of the accounting policies to the financial statements and in the manner required by section 55(1)(c) of the Municipal Finance Management Act (Act No. 56 of 2003).

6. EMPHASIS OF MATTER

Without further qualifying the audit opinion, attention is drawn to the following matters:

6.1 Budget process

The municipality could not submit supporting documentation and working papers regarding R92 million for income and R86 million for expenditure respectively.

6.2 Going-concern

The council's financial statements have been prepared on the going concern basis, which assumes that it will be able to meet its future obligations and commitments in the ordinary course of business. Accordingly, these financial statements do not include any adjustments relating to the valuation of assets and the classification of liabilities, which may be necessary if the council is unable to continue as a going concern. The continuation of the council therefore depends on government.

6.3 Insufficient policies

The council did not have the following policies in place in order to manage its affairs in an effective, efficient and economical manner:

- Asset management policy
- Budget policy
- Back-up policy
- Bad-debts provision policy
- Debt collection policy
- Preferential Procurement Policy
- Policy on tariffs.
- Overtime and Leave policy

Weaknesses in internal control

The following weaknesses in internal control were identified:

- 6.4.1 Segregation of duties did not exist as certain employees initiated, approved as well as processed a transaction.
- 6.4.2 No formal risk assessment had been conducted.
- 6.4.3 The municipality did not have a fraud prevention plan.
- 6.4.4 Control policies and management of leave records were lacking.
- 6.4.5 Revenue exceptions reports were not reviewed.
- 6.4.6 Not all the bank reconciliations were performed and reviewed by a senior official.
- 6.4.7 There was insufficient control of the usage of pool vehicles.
- 6.4.8 Late submission of the financial statements.
- 6.4.9 No control over leave.

6.5 Subsequent events

The Director of Finance was suspended after year-end. A forensic investigation is currently being conducted, however no report has been issued.

7. APPRECIATION

The assistance rendered by the staff of Ditsobotla Local Municipality during the audit is sincerely appreciated.



DL Zondo for Auditor General
Pretoria
8 December 2006



A U D I T O R - G E N E R A L